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RICHARD A. MARSHACK

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
NORTHERN HOLDING, LLC,
Debtor.

Case No. 8:20-bk-13014-SC

Chapter 7

TRUSTEE'S STATUS REPORT
REGARDING ONGOING CIVIL
CONTEMPT PROCEEDINGS

[CONTEMPT ORDER DOCKET NO. 424]

Continued Hearing

Date: September 10, 2024

Time: 11:00 a.m.

Ctrm: 5C

Location: United States Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701-4593

TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,
THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

Richard A. Marshack, the chapter 7 trustee ("Trustee") of the bankruptcy estate ("Estate") of Northern Holding, LLC ("Debtor"), submits this status report regarding the ongoing civil contempt proceedings against LeRoy E. Coddington, IV ("Coddington"), in advance of the hearing on September 10, 2024.

1. Brief Factual Restatement

On October 28, 2020, Debtor filed a voluntary petition for bankruptcy under Chapter 11 of Title 11 of the United States Code, initiating the above-captioned bankruptcy case. Coddington was the managing member of Debtor.

1 On May 11, 2023, the Court conducted a hearing on an order to show cause re: civil
2 contempt, and testimony of witnesses was presented both in person and over ZoomGov. At the
3 conclusion of the hearing, Trustee and Coddington entered into stipulated terms to resolve the OSC,
4 which were read into the record. The Court set a continued hearing date for June 15, 2023, at 11:00
5 a.m.

6 On May 12, 2023, as Dk. No. 394, Trustee filed a stipulation signed by Coddington which
7 memorialized and supplemented the terms read into the record ("Contempt Stipulation"). The
8 Contempt Stipulation provided that Coddington would pay up to \$140,000 to the Estate by June 14,
9 2023, or otherwise would agree to be adjudicated in contempt.

10 On May 16, 2023, as Dk. No. 397, secured creditor AgWest Farm Credit, FLCA ("FCW")
11 filed an objection to the Contempt Stipulation, regarding the treatment of the contempt sanctions.
12 This objection was later resolved by stipulation.

13 No funds were received by June 14, 2023.

14 On July 28, 2023, as Dk. No. 416, the parties filed a subsequent stipulation providing an
15 increased payment of \$160,000 to be made by September 12, 2023, by Coddington, which stipulation
16 was approved by an order of the Court entered as Docket No. 417.

17 No funds were received by September 12, 2023.

18 On September 13, 2023, as Dk. No. 421, a further status report was filed where Coddington
19 offered to pay an increased amount of \$170,000. However, no funds were received by the date of
20 the continued hearing on September 27, 2023. At the hearing, the Court found that Coddington should
21 be adjudicated in civil contempt, and set a continued hearing for October 18, 2023.

22 On October 5, 2023, as Dk. No. 424, the Court entered an order adjudicating Coddington in
23 civil contempt ("Contempt Order"). The Contempt Order provided that the agreed amount of
24 \$170,000 must be paid by Coddington no later than October 7, 2023, at 11:50 p.m. Pacific Prevailing
25 Time.

26 No funds were received by October 7, 2023. At the hearing on October 18, 2023, the Court
27 set a further continued hearing for November 8, 2023, based in part on Coddington's representation
28 that he would obtain funds by October 31, 2023.

1 No funds were received by October 31, 2023.

2 On November 6, 2023, as Dk. No. 430, Trustee filed a status report regarding Coddling's
3 updated statement that he would obtain a cashier's check for \$170,000 by Friday, November 10,
4 which was two days after the scheduled hearing. Based on Coddling's representation, the parties
5 jointly requested that the hearing be continued for approximately one week. Based on the status
6 report, the Court vacated the hearing on November 8, 2023, and set a further hearing on November
7 16, 2023, at 11:00 a.m.

8 No cashier's check was received by Trustee by November 10, 2023.

9 On November 14, 2023, as Dk. No. 434, Trustee filed a status report regarding Coddling's
10 updated statement that he would obtain a cashier's check for \$175,000 by Friday, November 15,
11 which was two days prior to the scheduled hearing. Based on Coddling's representation, the parties
12 jointly requested that the hearing be continued for approximately one week. Based on the status
13 report, the Court vacated the hearing on November 16, 2023, and set a further hearing on December
14 6, 2023, at 11:00 a.m. Coddling informed Trustee on December 4, 2023, that he had an attorney
15 meeting on December 6, 2023, at 2:00 p.m. (i.e. three hours after the hearing), to assist with
16 obtaining the loan.

17 No funds received by Trustee by the continued hearing on December 6, 2023. The Court
18 continued the hearing to January 9, 2024, at 11:00 a.m., with a status report due seven days in
19 advance.

20 On January 2, 2024, as Docket No. 441, Trustee filed an updated status report with the
21 Court.

22 At the hearing on January 9, 2024, the Court imposed additional sanctions of \$200 per day
23 on Coddling for his continuing failure to turn over and pay the monetary sanctions to Trustee, and,
24 after hearing Trustee's concerns about Coddling's obfuscation, also directed Coddling to make the
25 third parties available to communicate with Trustee.

26 On January 10, 2024, as Dk. No. 442, the Court entered an order providing for additional
27 monetary sanctions of \$200 per day starting from January 9, 2024.

28 On January 19, 2024, as Dk. No. 444, Trustee submitted a further status report stating that

1 based on Trustee's investigation, it appeared that Coddington had made material misrepresentations to
2 both the Court and the Trustee regarding his ability to obtain a loan secured by real property owned
3 by his stepfather, Charles Munch. In summary, Trustee and his counsel spoke with the purported
4 lender for Coddington's loan, and the attorneys representing the trustees of the Charles Munch family
5 trusts, and was informed that Coddington had never told the trust attorneys that he intended on
6 obtaining a portion of the proceeds from a loan which was intended for the benefit of Charles
7 Munch. Based on this conversation, Trustee believed that Coddington had made material
8 misrepresentations to the Court.

9 On January 26, 2024, as Dk. No. 446, Trustee filed, as a courtesy to Coddington, certain
10 documents that he requested to be filed in response to Trustee's allegations of misrepresentations.

11 On February 1, 2024, as Dk. No. 447, the Court entered an order continuing the status
12 conference to February 27, 2024, and suspending the additional monetary sanctions of \$200 per
13 day.

14 On February 20, 2024, as Dk. No. 451, Trustee submitted a further status report stating that
15 based on Trustee's investigation, it appeared that Coddington may have made material
16 misrepresentations to the Court regarding the loan.

17 On February 20, 2024, as Dk. No. 452, Trustee filed, as a courtesy to Coddington, certain
18 documents that he requested to be filed in response to Trustee's allegations of misrepresentations.

19 On April 2, 2024, as Dk. No. 467, the Court entered an order re further adjudication of civil
20 contempt ("April 2 Order").

21 On April 11, 2024, as Dk. No. 470, the Court entered an order modifying the April 2 Order
22 and Setting Continued Status Conference on Contempt.

23 On May 28, 2024, as Dk. No. 475, the Court entered an order continuing the status
24 conference to July 2, 2024.

25 On August 16, 2024, as Dk. No. 480, the Court entered an order continuing the status
26 conference to September 10, 2024.

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1 **2. Status Report**

2 On April 2, 2024, Trustee's counsel contacted the United States Marshals Service
3 ("Marshals") asking for information on the status of the Marshals locating Coddling. Counsel was
4 forwarded to the Marshals' office in Los Angeles and informed that the Los Angeles office would
5 be the one to enforce the body detention order.

6 On April 3, 2024, counsel received a voicemail from Deputy Rojas from the Marshals' Los
7 Angeles office stating that so long as the body detention order had been issued and delivered, that it
8 would be executed "whenever we get the time."

9 On June 26, 2024, Trustee and counsel again contacted the Marshals' office via telephone
10 and spoke with Deputy Cabanas in the Santa Ana office, and a copy of the body detention order was
11 e-mailed to Deputy Cabanas and Trustee was informed that the Marshals would immediately seek
12 to locate Coddling.

13 On August 19, 2024, Trustee and counsel again contacted the Marshals' office and
14 requested an update. Deputy Cabanas informed Trustee that the Santa Ana office would not be able
15 to handle the request, but that the Los Angeles office would handle the body detention order.
16 Trustee left a voicemail for Deputy Marshal Picou at the Los Angeles office requesting an update
17 and offering assistance.

18 Between August 19-23, 2024, Trustee provided information upon request to Deputy Marshal
19 Picou but has not received any further contact or update afterwards.

20 Trustee also has not received any communications from Mr. Coddling since March 2024.

21
22 DATED: September 9, 2024

MARSHACK HAYS WOOD LLP

23 By: /s/ Tinho Mang
24 D. EDWARD HAYS
25 TINHO MANG
26 Attorneys for Chapter 7 Trustee
27 RICHARD A. MARSHACK
28

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **TRUSTEE'S STATUS REPORT REGARDING ONGOING CIVIL CONTEMPT PROCEEDINGS** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **September 9, 2024**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **September 9, 2024**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR GENERAL AGENT,
OR TO ANY OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

LEE CODDING
13217 JAMBOREE ROAD, #429
TUSTIN, CA 92782

☐ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **September 9, 2024**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY:

PRESIDING JUDGE'S COPY

HONORABLE SCOTT C. CLARKSON
UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C
SANTA ANA, CA 92701-4593

Email: lecoddgiving@icloud.com

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

September 9, 2024
Date

Layla Buchanan
Printed Name

/s/ Layla Buchanan
Signature

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:

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